

Before the
Federal Communications Commission
Washington, D.C. 20554

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In the Matter of)

FAMILY BROADCASTING, INC.)

EB Docket No. 01-39 /

Order to Show Cause Why the Licenses for)
Stations WSTX(AM) and WSTX-FM, Christiansted,)
U.S. Virgin Islands, Should Not Be Revoked)

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TO: The Full Commission)

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REPLY TO ENFORCEMENT BUREAU'S OPPOSITION TO MOTION TO STRIKE

Family Broadcasting, Inc. ("Family"), by its attorney, hereby respectfully replies to the Enforcement Bureau's Opposition to Motion to Strike, filed in this proceeding October 12, 2001.

In reply thereto, it is shown:

1. In an Opposition to Motion to Strike, filed on October 12, 2001, the Enforcement Bureau relies upon a paragraph in ALJ Sippel's Summary Decision to show that ALJ Sippel concluded that as early as 1997 Barbara James-Petersen was on notice of the violations at Stations WSTX AM and FM, because of a 1997 renewal proceeding involving the WSTX-FM license. It happens that the ALJ was simply wrong. Barbara James-Petersen was not working at the station at the time of the 1997 proceeding, and the 1997 proceeding had nothing to do with any of the violations served against the licensee in this proceeding. It would, however, be improper to point this out in a reply without giving the Enforcement Bureau an opportunity to respond. Therefore,

Family has filed a Motion for Leave to File Additional Exception to that portion of the ALJ's Summary Decision, and the Enforcement Bureau will have an opportunity to respond to that request.

2. In its Opposition, the Enforcement Bureau again expresses concern that Barbara James-Petersen will be under undue influence from Luz James, because Mrs. James-Petersen's mother, Asta, has agreed to provide funds to assist with station operations. That is true, but it ignores testimony showing that Mrs. James-Petersen fully intends to make the station self-sufficient.

At her deposition, the following colloquy took place:

“Q So now we have got a corporation with, say, at least a ten year history because we have family taking over the stations in September of 1990. So we have gone ten years and - - yeah, about ten and a half years at this point. Has the station lost money in each of the years that it has been operating?

A Well, to the best of my knowledge, because initially the problem that I had with the way the station was being run, it has not being run as a business. My father would have people come up there, friends of his, and he would give the advertisement away, something that they would pay if they went to another radio station. They wouldn't hesitate to pay. But when it comes to us, they expect us to give it to them for free.

Now since I have been there, I have had some negative remarks about me because I have told many people this is business. This is not a charitable institution. I have bills to pay. So I have gotten some negative reaction from some people. But it is a business, and it has to operate as a business, and not - - you know, in business, there are no friends.

But my father didn't understand that. You're his friend, he would give you the shirt on his back if you needed the shirt on his back. I'm not like that. It's a business. It has to operate as a business. If it not carry itself, then it doesn't need to be big.

Q Well, it does raise a question in my mind. If the stations have essentially been losing money for most, not necessarily all, but most of the period that Family has been the licensee, why in the world would you want to take over this operation and become president of it when it is a money losing operation?

A Because I think I can turn it around. I honestly believe I can turn it around because, like I said, my father did not operate it as a business, and that's where we differ. I would operate it as a business. And I think the hurricanes that we have had from 1989 to November 1999, that also played a major portion, a major role in, causing the downturn in the economy. In the beginning, things were good. There is no doubt about that. But after the hurricanes started coming one after the other, you never really got a chance to pull yourself back up and start, you know, going, making a positive - - having a positive effect any more. Everything was against you, and then you have insurance companies tripling their rates.

Two weeks ago, before I left, we had insurance companies who were closing down because they refused to carry insurance on homes and businesses. They decided that they are not making a profit. But they forget that all the years that they were prior to Hurricane Hugo in 1989 in St. Croix, they were making money. They were getting their premiums.

I know in one case I can speak personally. Premiums that for several properties that on an annual basis would come up to maybe \$10,000 to cover everything, after September 1989, with Hurricane Hugo, we were faced with a bill of \$48,000 for the same properties that we paid \$10,000 before. And that's the kind of things that we have had to deal with. And it hasn't been easy. But I feel that I willing to give it a chance because I know it can work. It just has to operate as a business." (Dep. Tr. 73-75.)

3. Thus, while Barbara James-Petersen did, indeed, indicate that some money from her mother might be available to tide the station over, she made it clear that she intends to make the station profitable. In that connection, actions speak louder than words. The Commission may take

official notice that this year Family filed its biennial ownership report on time and paid the filing fee. This year, also, the Commission may take official notice that Family paid its annual regulatory fees on time and in full. The record also shows that under the direction of Barbara James-Petersen special temporary authorities have been obtained which are allowing Stations WSTX AM and FM to operate legally for the first time in many years. The record also shows that under Barbara James-Petersen's direction applications have been filed which when granted will allow permanent construction of legal facilities for both stations and put an end to the violations which occurred during the time when the stations were being operated as a personal toy of Luz James.

4. In short, Family is becoming a model licensee and it is doing so under the handicap of operating a business in one of the poorest U.S. possessions. Under these circumstances it would be a great pity if the Commission chose to revoke Family's licenses.

Respectfully submitted,

FAMILY BROADCASTING, INC.

October 22, 2001

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CERTIFICATE OF SERVICE

I, Traci Maust, a secretary in the law office of Lauren A. Colby, do hereby certify that copies of the foregoing have been sent via first class, U.S. mail, postage prepaid, this 22nd day of October, 2001, to the offices of the following:

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